THE INFLUENCE OF CORPORATE SOCIAL RESPONSIBILITY, CURRENT RATIO AND SELF ASSESSMENT ON STOCK PRICES OF CONVENTIONAL BANKING COMPANIES

Devi Dias Pradani[1]
Anny Widiasmara[2]

[1,2]Accounting Department, Faculty of Economis and Business, Universitas PGRI Madiun, Indonesia

e-mail: dias333maret@gmail.com, anny.asmara@gmail.com

ABSTRACT

The state of the economy of a country is claimed to be prosperous when the level of investment in the country always develops from time to time. The importance of implementing CSR in a company is corporate social responsibility which focuses on sustainability on economic, social and environmental aspects. If many investors enter, automatically the stock price in the company will also rise. GCG (Good Corporate Governance) which is by self-assessment can be taken into consideration in determining the company's health level. The purpose of this study is to provide empirical evidence that the current ratio, corporate social responsibility and self-assessment have an effect on stock prices. This type of research is quantitative, secondary data using financial reports, annual reports and closing prices at www.idx.co.id and yahoo Finance. The sample of conventional banking companies used is 20 in 2016-2020. The statistical data analysis technique used in this research is descriptive, multiple linear regression analysis and T test. The results show that CSR and Self-Assessment System variables have a significant effect on stock prices. While the Current Ratio variable has no significant effect on stock prices.

Keywords: CSR, Current Ratio, Stock Price and GCG

1) INTRODUCTION

When an investment in a country begins to develop from time to time, the country's economy can be said to be prosperous. With this, investors will also deepen to invest in companies so that it causes the country's foreign exchange to also increase. With the current situation, which is still in the covid-19 pandemic, it has not discouraged investors from investing in a company. Even so, people are not careless in investing their capital to buy shares. An investor needs to do sufficient analysis so as not to lose when investing. One way for investors to analyze stock prices is by looking at the implementation of CSR (corporate social responsibility). According to Fraderick, CSR is a principle that describes that companies must be responsible for every action that has an impact on the environment and the surrounding community. This makes the company required to make activities or programs for the environment around the company.

Which is expected to be able to further develop the potential of the company's environment. The obligation to carry out CSR activities is regulated in Article 74 paragraph (4) of Law Number 40 of 2007 concerning Limited Liability Companies.

The next analysis that can be done by investors is by looking at the value of a company's current ratio. According to Sutrisno (2009: 216), explaining the current ratio is a ratio that compares the assets owned by the company with short-term debt. So if a company pays off its short-term debt faster than the specified maturity date, the company's health level can be said to be good. This can result in the stock price of the company having a good or right price for investors. Which investors for the company will also increase.

Apart from the level or value of CSR and financial statements that need to be seen from a company, CGG (Good Corporate Governance) can be taken into consideration in determining the company's health level. GCG (Good Corporate Governance) are the principles applied by the company to maximize the value of the company, improve the performance and contribution of the company, as well as maintain the sustainability of the company in the long term. Therefore, the company owners or shareholders will definitely ask the management to improve their performance so that the company's performance or value increases so that the company's goals will be achieved (Kurnia Syafaatul, 2014).

Based on the results of previous research by Fatmawati (2020) shows the results of CSR partially have an insignificant negative effect on stock prices while the Current Ratio has a significant positive effect on stock prices. Meanwhile, in a study conducted by Indah Rahayu Lestari and Sugeng Riyadi (2019), the results showed that the partial disclosure of corporate social responsibility had a positive effect on stock prices. And research made by Ade Novitasari, Annisa Tri Mulyani. Shidri Qurrotu A'yun. Tri Purwaningsih and Suripto (2020) say that CSR disclosure does not affect the stock price. Based on the results of previous research by Gladys Aprillia Tanisson (2017) shows that GCG have significant effect on stock prices.

The purpose of this research is to provide empirical evidence that CSR (Corporate Social Responsibility) and Current Ratio have a positive effect on stock prices in conventional banking companies in 2016-2020. The contribution that can be taken in this study is so that investors can conduct in-depth analysis before investing in a company, especially conventional banking. Furthermore, based on the explanation described above, the researcher takes the title The Effect of Corporate Social Responsibility and Current Ratio on Stock Prices of Conventional Banking. This research is the development of the previous author Fatmawati (2020) entitled "The effect of CSR and current ratio on stock prices in manufacturing companies" basic industrial and chemical sectors listed on the Indonesia Stock Exchange in 2013-2017". Research differences this is with previous research which lies in the company under study and the time study. If the previous researchers used industrial sector manufacturing companies basics and chemistry listed on the Indonesia Stock Exchange in 2013-2017, this study uses conventional banking companies listed on the IDX in 2016-2020 and add a new variable which is self-assessment.

Research Questions

Based on the research background that has been described previously, the research questions are:

1. Does the implementation of CSR affect the stock price of conventional banking?

2. Does the Current Ratio affect the stock price of conventional banking?

3. Does Self-Assessment affect the stock price of conventional banking?

Literature Reviews

Legitimacy Theory

The theory of legitimacy according to Deegan and Rahmawati (2012) is the organization must not only look to pay attention to the rights of investors but in general it must also pay attention to the rights of the public. legitimacy itself is closely related to social processes, so this legitimacy theory has the same principle as CSR, which is related to the social environment around the company. This theory seeks to ensure that the company remains within the norms prevailing in the society or environment in which it operates the company is located.

Corporate Social Responsibility

According to Carroll in (Unang: 2011) CSR is a form of corporate concern to the surrounding community, covering several aspects, namely economic, legal, ethics and contributions to social issues. According to Vera Mauli Kasanah and Akhmad Riduwan (2017) CSR disclosure has a significant positive effect on stock prices. So that the hypothesis that can be written is:

HI: CSR has a positive and significant effect on banking stock prices conventional.

Current Ratio

According to Kasmir (2016: 134) the current ratio or current ratio is a ratio to measure the company's ability to pay short-term obligations or debts that are due immediately when billed as a whole. Meanwhile, according to Kristian Chandra (2017), the current ratio has a positive effect on stock prices. So that the hypothesis that can be written is:

H2: Current ratio has a positive and significant effect on stock prices conventional banking company.

Self-Assessment

Self-assessment is an activity that begins with filling out a questionnaire related to the efforts to implement GCG in the company in conducting an ethical and sustainable business (Daniri: 2014). According to Cut Alyssa Nikita Virany and Vaya Juliana Dillak (2021), Good Corporate Governance has a significant positive effect on stock prices. So that the hypothesis that can be written is:

H3: Self-assessment has a positive and significant effect on stock prices conventional banking company.

Stock Prices

According to Musdalifah Azis (2015: 80), stock prices are defined as follows: "The price in the real market, and is the most easily determined price because results is the price of a share in the current market or if the market is closed, the market price is the closing price". The closing share price can be seen at https://finance.yahoo.com/quote/%5EJKSE/history/.

Frame of Mind
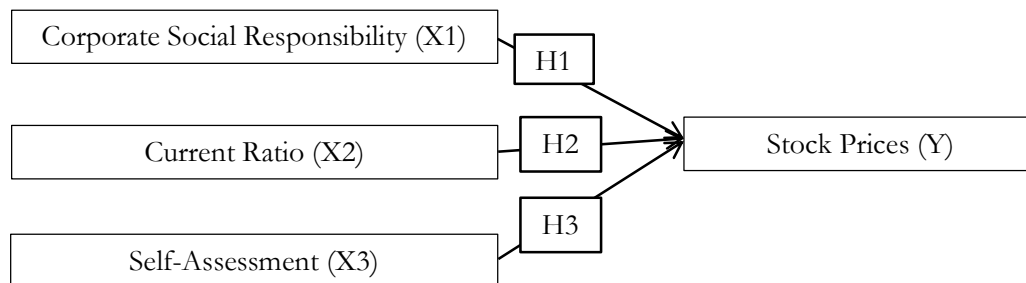
2) METHODS

Research place and research time

This research was conducted by taking data from www.idx.co.id from 2016 to 2020.

Population, Sample and Sampling Technique

Population is all data that is of concern to researchers within a predetermined scope and time (Zuriah, 2009: 116). The population in this study was 45 conventional banks listed on the IDX during 2016 – 2020. While the sample is defined as part of the population whose characteristics are to be studied (Djarwanto, 1994: 43). The sample in this study was 20 conventional bank companies with the sampling technique using purposive sampling technique with the following conditions:

1. Conventional banking companies that publish annual reports for 2016 - 2020;

2. 20 conventional banking companies that were not delisted during the period 2016 - 2020.

3. Conventional banking companies that publish CSR indicators in their annual reports for the period 2016 – 2020.

4. Data for general banking companies used are presented in full for the period 2016 – 2020.

Research Variables and Operational Definitions

1. Research variables

   The research variable is that if everything must be examined in several forms by researchers to obtain information about it, then a conclusion is drawn (Sugiyono, 2015: 95).

2. Operational definition

   To determine each level of variation in a study, you can use data interpretation types such as independent and dependent variables which will be explained below:

Description	Formula	Scale
Dependent variable	Closing price stock price	Nominal
Stock Price According to Darmadji and Fakhrudin (2012: 102) the calculation of the stock price with the value or closing price adjusted for the company's corporate actions.) **Independent Variables**		
Corporate Social Responsibility (CSR) social responsibility activities that must be carried out by a company that involves the surrounding community. In this study using the formula according to Rengganis and	$\text{CSRDi} = \frac{\sum Xi}{n}$	Dummy with a score of 1 for items that are disclosed and a score of 0 for items that are not disclosed.

Asri (2018):		
Current Ratio a ratio to measure the company's ability to pay short-term obligations or debts that are due immediately when billed in their entirety according to Kasmir (2016:134)	$Current\ Ratio$ $= \dfrac{Current\ Asset}{Current\ Debt}\ x\ 100\%$	Ratio
Self-assessment The GCG assessment carried out in this study uses a Self-Assessment proxy. Which company assesses its own company	This is based on the Financial Services Authority Regulation Number 4 / PJOK.03 / 2016, article 9 paragraph 2. By using a composite value rating of 1-5.	Nominal

3) RESULTS

Descriptive statistical test

This study uses the dependent variable (Y), stock prices in conventional or general banking companies and two independent variables (X), Corporate social responsibility, Current Ratio and Good Corporate Governance.

	N	Minimum	Maximum	Mean	Std. Deviation
CR	100	1.097	1.537	1.22005	.067833
CSR	100	3	30	12.85	5.870
SELF_ASS	100	1	3	1.97	.460
Stock Price	100	1.68	3.96	3.0113	.61177
Valid N (listwise)	100				

Source: SPSS data processing results 2020

Based on the table above, it is known that the number of data (n) is 100 without outliers, so the data remains intact at 100. The following is explanations of descriptive statistics, the minimum, maximum, and mean values of each variable:

a. The stock price variable (Y) has a minimum value of 1.68; maximum value of 3.96; the average value of 3.0113

b. CSR variable (X1) has a minimum value of 3; maximum value of 30; the average value of 12.85

c. Current Ratio variable has a minimum value of 1.097; maximum value of 1,537; the average value of 1.22005

d. The Self-Assessment variable has a minimum value of 1; maximum value of 3; the average value is 1.97.

Hypothesis Test

Multiple Linear Regression Analysis

Multiple linear regression analysis is a linear regression to analyze the magnitude of the relationship and the influence of independent variables whose number is more than two (Suharyadi and Purwanto, 2004: 508).

Table 2. Multiple Linear Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	1.438	1.188		1.211	.229
	CR	1.612	.855	.179	1.885	.062
	CSR	.030	.010	.289	2.876	.005
	SELF_ASS	-.396	.129	-.298	-3.076	.003

Source: SPSS data processing results 2020

The table above shows the results of equation 1 that the multiple linear regression equation is as follows:

$Y = + 1 X1 + 2 X2 + 3X3 €$

Stock Price = 1,438 + 1,612 CR + 0.030 CSR + -0.396 Self-Assessment

The results of the multiple linear regression equation are as follows

a. The constant in the test of stock prices shows a value of 1.438, so when the independent variable is zero, a value of 1.438 will be obtained.

b. The regression coefficient on the Current Ratio variable is 1.612, which means that it is in the direction of the stock price relationship of 1.612, so if the Current Ratio increases by 1 unit and changes in stock prices increase by 1.612.

c. The regression coefficient on the CSR variable is 0.030 which means that it is in the same direction as the stock price relationship of 0.030, so if CSR increases by 1 unit and changes in stock prices increase by 0.030.

d. The regression coefficient on the Self-Assessment variable is -0.396 which means that it is not in the same direction as the stock price relationship by -0.396, so if the Self-Assessment increases by 1 unit and changes in stock prices weaken by -0.396.

t test

Data analysis using the t test has the aim of knowing the independent variable partially on the dependent variable and has a significant effect or not. The results of the t test are as follows:

Table 3. t test

Model		T	Sig.
1	(Constant)	1.211	.229
	CR	1.885	.062
	CSR	2.876	.005

SELF_ASS	-3.076	.003

Source: SPSS data processing results 2020

Based on the table above, the result of t test are:

1. The Current Ratio variable shows the t-count value of 1.885 with a significance value of 0.062, which is more than 0.05, it is said that the Current Ratio has no effect on stock prices.

2. CSR variable shows a t-count value of 2.876 with a significant value of 0.005, which is less than 0.05, it is said that CSR has an effect on stock prices.

3. The self-assessment variable t value -3.076 with a significant value of 0.003 which is less than 0.05 it is said that CSR has an effect on stock prices.

4) DISCUSSION

Effect of Corporate Social Responsibility on Stock Prices

Based on that CSR has a significant effect on stock prices. This is because if the implementation of CSR has a good long-term impact for the company. The results obtained from this study are in line with research conducted by Fahmi and Herry Pumawan (2017) which states that CSR has a significant effect on stock prices.

Effect of Current Ratio on Stock Prices

Based on the results obtained using SPSS data processing, it can be seen that the current ratio has no significant effect on stock prices. Because in 2020 the Covid-19 pandemic occurred so that the company's finances also declined.

Effect of Self-Assessment on Stock Prices

Based on the results obtained using SPSS data processing, it can be seen that the self-assessment system has a significant effect on stock prices. This is because good management quality can increase the trust and interest of shareholders or investors to invest in the bank because the bank can manage the company well. So that investors are interested in investing in the company which has an impact on the increase in the company's stock price, according to Cut Alyssa Nikita Virany and Vaya Juliana Dillak (2021).

5) CONCLUSION

Based on the research data and discussion in the previous chapter, the conclusion is that CSR and Self-Assessment System variables have a significant effect on stock prices because CSR will provide results, both directly and indirectly on company finances in the future, this is in line with research (Agus, 2019) where Corporate Social Responsibility does not provide financial results in the short term, however, Corporate Social Responsibility will provide results, either directly or indirectly on the company's finances in the future. Self-Assessment affects the stock price. While the Current Ratio variable has no significant effect because in 2020 the Covid-19 pandemic occurred so that the company's finances also declined.

REFERENCES

Dwiyani, T., & Purnomo. (2019). Mekanisme GCG, ROA Terhadap Nilai Perusahaan dengan CSR Sebagai Variabel Moderating Titik. *Media Akuntansi*, *31*, 107–124.

Indah Rahayu Lestari, S. R. (2019). Pengaruh Pengungkapan Tanggung Jawab Sosial Perusahaan, Kepemilikan Manajerial, Rasio Hutang Terhadap Ekuitas, Dan Rasio Lancar Terhadap Harga Saham. *Jurnal Ekonomika Dan Manajemen*, *8*(5), 55.

Karina, D. R. M., & Setiadi, I. (2020). Pengaruh Csr Terhadap Nilai Perusahaan Dengan Gcg Sebagai Pemoderasi. *Jurnal Riset Akuntansi Mercu Buana*, *6*(1), 37. https://doi.org/10.26486/jramb.v6i1.1054

Muhammad Ikbal. (2019). Pengaruh Roa Dan Eva Terhadap Harga Saham Pada Perusahaan Manufaktur Yang Terdaftar Di Bursa Efek Indonesia. *Jurnal Adz-Dzahab: Jurnal Ekonomi Dan Bisnis Islam*, *4*(2), 21–29. https://doi.org/10.47435/adz-dzahab.v1i2.337

Otoritas Jasa Keuangan. (2016). *Peraturan Jasa Keuangan Nomor 4 /POJK.03/2016 Tentang Penilaian Tingkat Kesehatan Bank Umum Lembaran Negara Republik Indonesia Tahun 2016 Nomor 16*.

Pratami, A. D., & Juliarto, A. (2020). Dampak Csr Strengths Dan Csr Concerns Pada Kinerja Perusahaan Manufaktur Di Indonesia. *Diponegoro Journal of Accounting*, *9*(3), 1–10. https://ejournal3.undip.ac.id/index.php/accounting/article/view/29056

Qurrota A'yun. (2013). Pengaruh Pengungkapan Corporate Social Responsibility, Corporate Governance, Profitabilitas Dan Leverage Terhadap Agresivitas Pajak (Studi Empiris pada Perusahaan Pertambangan yang Terdaftar di BEI Tahun 2013-2017). *Journal of Chemical Information and Modeling*, *53*(9), 1689–1699.

Syafaatul, K. (2014). Pengaruh Good Corporate Governance Terhadap Harga Saham. *Portal Garuda: Universitas Brawijaya*, *2*(2), 1–19.

KASANAH, V. 2017. "Pengaruh Pengungkapan Corporate Social Responsibility, Kinerja Keuangan, Dan Tingkat Suku Bunga Pada Harga Saham." *Jurnal Ilmu Dan …* 6.

Muhammad Ikbal. 2019. "Pengaruh Roa Dan Eva Terhadap Harga Saham Pada Perusahaan Manufaktur Yang Terdaftar Di Bursa Efek Indonesia." *Jurnal Adz-Dzahab: Jurnal Ekonomi Dan Bisnis Islam* 4(2):21–29. doi: 10.47435/adz-dzahab.v1i2.337.

Novitasari, A., A. T. Mulyani, S. Q. A'yun, and … 2020. "Pengaruh Pengungkapan CSR (Corporate Social Responsibility), Kebijakan Dividen, Dan Tingkat Inflasi Terhadap Harga Saham." *Proceedings …* (2011):36–41.

Sulaiman, Muhammad Fahmi, and Herry Punawan. 2017. "Pengaruh Pengungkapan Corporate Social Responsibility Terhadap Harga Saham Perusahaan Pertambangan Yang Terdaftar Di Bei." *BALANCE Jurnal Akuntansi Dan Bisnis* 2(2):295. doi: 10.32502/jab.v2i2.1181.

Alyssa, C., Virany, N., & Dillak, V. J. (2021). *PENGARUH TINGKAT KESEHATAN BANK TERHADAP HARGA SAHAM (Studi Pada Perusahaan Sub Sektor Bank yang Terdaftar di Bursa Efek Indonesia THE INFLUENCE OF BANKS HEALTH LEVEL ON STOCK PRICE (Study on Bank Sub-sector Companies Listed on the Indonesia Stock Exchange 2016-2019)*. *8*(5), 5481–5486.

Tanisson, G. A., & Sumiati. (2017). Pengaruh Kesehatan Bank Dengan Menggunakan Metode Risk Based Bank Rating Terhadap Harga Saham (Studi Pada Perusahaan Perbankan Yang Terdaftar di Bursa Efek Indonesia Periode 2013-2015). *Jurnal Ilmiah Mahasiswa FEB Universitas Brawijaya*, *5*(2), 1–16.

Tabel Durbin- Watson (DW), a = 5 %. (2015). 0–1.